

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Vermont Plywood

#### Vermont Manufacturing Extension Center

#### Vermont Plywood Embraces Lean

##### Client Profile:

Vermont Plywood is a build to order manufacturer of furniture grade plywood products. The current plant, having operated as part of several different companies over the years, is now a stand-alone manufacturing facility with local ownership. Built nearly 80 years ago, the Hancock, Vermont, factory returned to private local ownership in June 2004 when the previous owners decided to divest themselves of this manufacturing facility. Vermont Plywood is currently employing approximately 40 full-time people.

##### Situation:

Price, delivery, distance, and quality pressure had led the previous owners of Vermont Plywood to decide to wither, shut down, or sell off this manufacturing facility. Vermont Plywood's new owners recognized the need to have a plant that was much more in tune with customer's demands by providing improved service and quick turnaround times with consistently high quality products. Dan Davis, Vermont Plywood's CEO, had attended Vermont Manufacturing Extension Center (VMEC), a NIST MEP network affiliate, workshops on Lean Manufacturing Principles and recognized that integrating these concepts from the ground up would give the new company a substantial leg up competitively.

##### Solution:

VMEC trained all of the employees in basic Lean Manufacturing Principles, prior to start of operations. In addition, they Value Stream Mapped both the manufacturing and front office processes with the intent of eliminating non-value added activities. The resulting plant performance was excellent right from the start up.

##### Results:

- \* Freed up 60,000 square feet of manufacturing space.
- \* Reduced inventory by 75 percent.
- \* Plywood produced to order with little or no inventory.
- \* Reduced material handling by 50 percent.
- \* Improved quality by 50 percent.
- \* Reduced lead times from weeks to days.
- \* Improved on-time delivery from 50 percent to 95 percent.
- \*

##### Testimonial:

"Wow, what else can I say! Lean is everything it was represented to be and more! We've only just begun, but already we have come so far. We had 80 years of union shop culture to overcome. The

## MANUFACTURING EXTENSION PARTNERSHIP

### Success Stories from the Field

plant was started back up with only one-third of the workforce that had been laid off six months earlier, and yet we were able to make a profit in the first month of operation. With the help of VMEC, we have been able to produce a better quality product, in less time with fewer employees. All of which has resulted in lower costs. We have freed up enough floor space to allow us to seek additional business to utilize it. In short, "it works!"

Dan Davis, Chief Operating Officer